

Technical Document 2752
February 1995

Governmentwide Commercial Purchase Card Program

NCCOSC RDT&E Division
Internal Operating Procedures



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Internal Operating Procedures

**NAVAL COMMAND, CONTROL AND
OCEAN SURVEILLANCE CENTER
RDT&E DIVISION
San Diego, California 92152-5001**

K. E. EVANS, CAPT, USN
Commanding Officer

R. T. SHEARER
Executive Director

ADMINISTRATIVE INFORMATION

Work for this report was performed by the Purchase Branch, Code 02221, of the Customer Services and Material Division, Code 0222, at the Naval Command, Control and Ocean Surveillance Center, RDT&E Division, San Diego, California. The work was performed during the period of FY 95.

Released by
P. A. Brown, Head
Purchase Branch

Under authority of
H. Brown, Head
Customer Services and
Material Division

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TOPIC A

OVERVIEW OF THE GOVERNMENTWIDE COMMERCIAL CREDIT CARD SERVICE

INTRODUCTION

The General Services Administration (GSA) awarded a contract for a Governmentwide Commercial Credit Card Service to Rocky Mountain BankCard System, Inc. (RMBCS). The contract provides, at the request of Federal ordering agencies, Governmentwide commercial purchase cards and associated services for civilian and military Government employees to make purchases for official Government use.

THE CONCEPT

The policy of NRaD is to use the Governmentwide Commercial Purchase Card for purchases under \$2,500. The Purchase Branch, Code 02221, shall manage the Governmentwide Commercial Purchase Card Service on all operating units to ensure that all transactions comply with these procedures, NAVSUPINST 4200.91 series, and any other applicable internal regulations.

Under the Acquisition Reform Act of 1994, a micro-purchase is an acquisition of commercially-available supplies, the aggregate amount of which does not exceed \$2,500.

THE OBJECTIVE

Providing the Governmentwide Commercial Purchase Card to agencies simplifies the small purchasing process and improves cash management practices. The Credit Card achieves this in the following ways:

- *Within* existing Federal Acquisition Regulations (FAR), streamlines payment procedures and reduces administrative costs for acquisition of supplies under \$2,500. NRaD limitation per transaction is \$2,500.
- Improves Government cash management practices (e.g., forecasting, consolidating payments, reducing imprest fund, etc.).
- Provides procedural checks and feedback to improve management controls and decision making.

TOPIC B

STANDARDS OF CONDUCT AND PROCUREMENT INTEGRITY

INTRODUCTION

Federal laws and regulations place restrictions on the actions of Government personnel.

STANDARDS OF CONDUCT

Employees of NRaD hold a public trust; their conduct must meet the highest ethical standards. All agency employees shall use this card only to purchase supplies within the guidance of this program. Cardholders and approving officials acknowledge that making false statements on purchase card records may provide support for removing the employee from Federal service. The government may punish wrongdoers by fine, imprisonment, or both, as stated in Section 1001, Title 18 United States Code. *Unauthorized* use shall have the meaning as set forth in footnote 22, Section 226.12, Title 12 Code of Federal Regulations.

“Unauthorized use” means the use of the purchase card by {any} person, {including} the cardholder who does not have actual or implied authority for such use and from which the {Government} received no benefit.”

PROCUREMENT INTEGRITY

Individuals delegated procurement authority are procurement officials, as defined under Section 27 of the Office of Federal Procurement Policy Act, and must receive procurement ethics training and execute the procurement integrity certification required by FAR 3.104–12. As Procurement Officials, the cardholders and approving officials are subject to administrative actions or remedies, as well as civil and criminal penalties for violations of the Procurement Integrity Act. Only micropurchasers who obligate less than \$20,000 in any 12-month period will be non-procurement officials.

TOPIC C

CARDHOLDER INFORMATION

INTRODUCTION

As a Government purchase card holder, you will be able to purchase many supplies that previously had to be purchased for you by the Purchase Branch. This **privilege** will give you more flexibility and increase your ability to meet your project needs. The use of the card is relatively simple, however, there are important rules that must be followed. These internal procedures will give you some basic information about the government purchase card, its uses, and your responsibilities.

AGENCY PROGRAM COORDINATOR (APC)

Each Activity participating in the Government purchase card program has an established APC. The APC establishes local procedures for controlling and using credit cards based on guidance supplied by the Navy Accounting and Finance Center. The APC is responsible for coordination of the applications, issuance and destruction of cards, establishment of reports, and administrative training. The individual also serves as the liaison between NRaD, RMBCS, and the GSA Contracting Officer. He/she oversees the International Merchant Purchase Authorization Card (I.M.P.A.C.) program and establishes guidelines. Changes to dollar limitations or authorized merchant codes must be submitted to RMBCS by the APC. The APC contacts are:

- Joe Capati, Code 02221, 553-4701 (primary)
userid: "CAPATI"
Bldg. A33, Room 0604
- Patricial Brown, Code 02221, 553-4469 (alternate)
userid: "BRN"
Bldg. A33, Room 0604

APPROVING OFFICIAL

The Approving Official should be the cardholder's immediate supervisor or a higher level official. A cardholder cannot be his/her own approving official. A cardholder may not be an approving official for his/her supervisor. The Approving Official is responsible for reviewing the cardholder's monthly statement of account to ensure purchases are made in accordance with the FAR and agency regulations. The Approving Official must enforce the provisions of these internal procedures and initiate administrative and disciplinary procedures for misuse of the card in accordance with these procedures.

CARDHOLDER

The cardholder is the individual to whom a card is issued. The card bears the individual's name and may only be used by this individual to pay for authorized purchases.

You will not receive literature from the bank, nor will there be any credit check on your personal credit history.

DESIGNATED BILLING OFFICE CONTACT

The appropriate NRaD Designated Billing Office will receive the official invoice from RMBCS and will be responsible for payment of the invoice. The Designated Billing Office contacts are:

- Kathy Terrado, Code 02123, 553–5166 (primary)
userid: “TERRADO”
Bldg. A33, Room 2603
- Yvette McCamant, Code 02123, 553–5169 (alternate)
userid: “MCCAMANT”
Bldg. A33, Room 2603

DISPUTES OFFICE CONTACT

This individual will coordinate, process and monitor all disputed purchases, credit, or billing errors. The Dispute Office contacts are:

- Patricia Brown, Code 02221, 553–4469 (primary)
userid: “BRN”
Bldg. A33, Room 0604
- Helen Brown, Code 0222, 553–4340 (alternate)
userid: “BROWNH”
Bldg. A33, Room 0605

AUTHORIZATION FOR PURCHASE

Authorization codes are established by the APC when issuing the purchase card to an employee and are incorporated in the card. Under normal circumstances for purchases over \$50.00, merchants are required to obtain authorization from the bank that supplies the cards; however, many merchants now use electronic authorization for all purchases, regardless of the amount. When authorization is sought by the merchant for a purchase, the authorization system will check the single-purchase limit of the cardholder and the type of merchant where the cardholder is making a purchase before authorization for that transaction will be granted.

PURCHASE CARD POLICY

Purchase Cards are not intended to replace all other methods of small purchase. The fact that a contractor will not accept credit cards is **not** an acceptable reason for not doing business with that contractor. Requirements that cannot be filled in this manner should be processed through normal purchase procedures. In **no** instance shall a Government employee encourage or require a contractor to accept the purchase card as a prerequisite for doing business with the Government.

THE PURCHASE CARD

The purchase card that you receive has your name embossed on it. No other person may use the card or the card number. The card has been specially designed so that it will not be easily confused with your personal credit cards. **THIS CARD MUST NOT BE USED FOR PERSONAL PURCHASES.** The logo on the card, I.M.P.A.C., stands for International Merchant Purchase Authorization Card. Embossed on the card is the “tax exempt” statement.

The card will be mailed to the cardholder within 5 working days after the application is received by RMBCS [2 working days, if sent electronically]. Upon receipt of the card, the cardholder must

call a 1-800 telephone number at RMBCS to activate the card. The cardholder must know his/her single-purchase limit and monthly limit to activate the card.

DELEGATION TO CARDHOLDERS AND TRAINING

Before you receive a card, you must attend a training class for Purchase Card Holders. NRaD on-the-job training will be provided by:

- Patricia Brown
Purchase Branch, Code 02221
553-4469

Within a few weeks of training, you will receive a Certificate of Appointment (SF 1402) that gives you the authority to make purchases with the credit card. The certificate shall specify your Single-Purchase Limit, Billing Cycle Purchase Limit, Merchant Activity Code(s), and Transaction Method(s). Make sure that you do not make any purchases prior to receiving your certificate.

The HCA or designee may delegate authority to make purchases up to \$2,500 to individuals that have a need for this authority.

Individuals that have not taken formal training courses on the purchasing methods listed in FAR Part 13 or basic procurement/contracting must successfully complete the NAVSUP Commercial Purchase Card Course for Micro-Purchasers.

All cardholders and Approving Officials shall read and be familiar with the requirements of these internal activity procedures. Periodic review of these internal activity procedures is required at least yearly. Refresher training is required at least every three years.

PURCHASING LIMIT

A single purchase may be comprised of multiple items, although the **total cost cannot exceed the authorized micro-purchase limit of \$2,500**. You may only use one job order per purchase. There is a **\$25,000** monthly limit on the card.

UNAUTHORIZED USE OF THE CARD

You **must not** use the purchase card for the following:

- A. Cash advances (not permitted under any circumstances).
- B. Rental or leases of land or buildings.
- C. Telecommunication (telephone) services.
- D. Travel expenses for transportation, lodging, or meals.
- E. Purchase of gasoline or oil (except if specifically authorized by the HCA/Procurement Management Review office for DON-owned aircraft, vessels, and vehicles).
- F. Repair of GSA leased vehicles.
- G. Naval Facilities Engineering Command (NAVFAC) cognizant services (e.g., construction, architectural and engineering services, facility support).
- H. Purchase of clothing or footwear (except for emergency purposes identified as required for safety).

- I. Purchase of supplies, furniture, and equipment available from mandatory sources, such as Federal Prison Industries, Shop Stores, SERVIMART, etc.
- J. Rentals or leases over 30 days in duration (e.g., annual or multi-year agreements).
- K. Items funded with direct-cite (non-DBOF) funds (RCP's etc.).
- L. Purchases that require federal or military specifications.
- M. Purchases of hazardous materials.
- N. Items covered by an indefinite delivery type contract.
- O. When a bilateral purchase order is required (e.g., Foreign Military Sales, classified requirements).
- P. Services (includes repairs or maintenance of any kind).

NOTE: Services cannot be performed with payment made by your purchase card. The purchase card shall be used for commercially-available supplies only.

Trade-in of equipment is **not** allowed with the purchase card because of potential problems in depreciation issues and other concerns such as plant account.

REQUIRED SOURCES OF SUPPLY

Before you make a purchase on the open market you are required to determine if the item is available through required source of supply. After you have made this determination, complete block 35 of the bankcard stub. If you cannot determine that the item is available through a government source, call **Technical Screening at X34360 or X34370**. *If an item is available through a government source, you must process a stub through the Supply Department.* The supply sources listed below are in **descending order of priority**:

Priority	Supply Source
1	Agency Inventories (the supply system)
2	Excess from other agencies
3	Federal Prison Industries (FPI)
4	Procurement lists of products from the National Industry for the Blind (NIB), or National Industry for the Severely Handicapped
5	Mandatory Federal Supply Schedules
*6	Optional Federal Supply Schedules

*Optional schedules are preferred sources for the Department of Defense. If you decide **not** to purchase an item that is available through an optional federal supply schedule, for reasons of price or availability, you **must** document the reason and include the explanation in your packet at the end of the month.

INTERNAL APPROVALS

The following list of internal-approval, control points was established to ensure compliance with federal laws, DoD regulations, Navy regulations, and higher-level direction related to the acquisition of certain commodities and services.

It is the responsibility of the cardholder to ensure that the appropriate approvals have been obtained prior to purchase.

The internal-approval points for items authorized for purchase using the I.M.P.A.C. purchase card are as follows:

Air Conditioning Equipment: Support Branch, Code 0266/x33842

Alarm System: Physical Security Group, Code 0354/x34615

Arc Lamp: Occupational Safety and Health Office, Code 038/x35024

Audio Visual: Audio Visual Branch, Code 033/x35233

Automatic Data Processing (ADP): See FIP

Bibliographic Services: Technical Libraries Branch, Code 0274/x34900

Blowers, Exhaust: Support Branch, Code 0266/x33849

Books, Pamphlets: Technical Libraries Branch, Code 0274/x34900

Card Readers & Access Systems: Physical Security Group, Code 0354/x34615

Cypher Locks: Physical Security Group, Code 0354/x34615

Data Communications: Information Resources Management (IRM) Focal Point Office, Code 0208/x32199

Diving Equipment: (civilian) (SD) Civilian Diving Officer, Code 0313/x31536

Drafting Services/Equipment: Design and Development Division, Code 93/x33250

Electrical Distribution: Support Branch, Code 0266/x33843

Electronic Test Equipment: Test Equipment Calibration Group, Code 953/x37434

Federal Information Processing (FIP): Hardware (including local area networks), Software (including license agreement), services and maintenance: Information Resources Management (IRM) Focal Point Office, Code 0208/ x32199

Fire Extinguisher: Occupational Safety and Health Office, Code 038/x35024

Intrusion Detection System (IDS): Physical Security Group, Code 0354/x34615

Laser: Occupational Safety and Health Office, Code 038/x35024

Microwave Equipment and Equipment that Produces Microwaves: Occupational Safety and Health Office, Code 038/x35024

Networks, Local Area: Information Resources Management (IRM) Focal Point Office, Code 0208/x32199

Padlocks: Physical Security Group, Code 0354/x34615

Publications: (including books, technical reports, specifications, subscriptions, periodicals, maps, digital map data, government documents, etc.). Technical Libraries Branch, Code 0274/x34900

Radio Equipment: Communications and Field Engineering Section, Code 0262/x37463

Safety Equipment: (includes respiratory equipment, hearing protection, foot protection, eye protection). Occupational Safety and Health Office, Code 038/x35024

Saws, Power (bench or hand-held): Occupational Safety and Health Office, Code 038/x35024

Shredders: Information and Personnel Security Group, Code 0352/x33319

Signs: Support Branch, Code 0266/x33843

X-ray Equipment: Occupational Safety and Health Office, Code 038/x35024

TOPIC D

PLACING THE ORDER

PURCHASE LIMITS

The maximum allowable amount for a single purchase is the micro-purchase limit of \$2,500. A “single purchase” with the card may include multiple items. However, no single purchase may exceed the authorized single-purchase, transaction amount established for each cardholder. Should you exceed that limit, the authorization will be denied for the purchase. The limits were established to ensure that procurement laws, as implemented by the Federal Acquisition Regulation (FAR), are followed by cardholders.

SPLIT ORDERS

Purchases **shall not** be divided into separate purchases to circumvent the delegated dollar threshold. Like requirements **must** be grouped together, and if the cost exceeds the limit, a stub must be submitted to Purchase Branch, Code 02221. This is a serious violation, and can result in suspension and/or cancellation of your purchase card privileges.

FUNDS AVAILABILITY

You must ensure that funds are available **before** placement of the purchases. Available funding may be certified by the Funds Administration Branch. Prior to making a purchase, submit a completed bankcard stub (Form 4225/1) to the Budget Office, Code 02113.

For instances of purchases made on travel or during non-duty hours (weekend, after-hours, etc.), cardholders must maintain a supply of bankcard stubs in order that stub preparation can be completed and fund availability certified before placement of order. For purchases made on travel or during non-duty hours, fund certification can be made in memorandum format by the appropriate department personnel, and must be dated prior to purchase. (See figure next page.) The Budget Office, Code 02112 must receive the completed bankcard stub, supported by the memorandum of fund certification, within 48 hours of your transaction. For purchases requiring internal approval, appropriate signatures must be obtained prior to purchase.

Since each purchase card is associated with a unique appropriation, users must insure that the card, used to fulfill a requirement, uses the same funding cite that is provided with the requirement.

SEPARATION OF FUNCTION

Regulations require that controls are established at every activity with contracting authority, to ensure that the functions of **initiation** of the requirement, **award** of the purchase action, and **receipt** of material are not performed by the same person. If local circumstances make the use of this three-way separation impracticable, at a minimum, the functions of award of the purchase action and receipt of material **shall not** be performed by the same person.

The cardholder *will not* be the requiring agent for an item purchased with their credit card, unless the items are delivered to central receiving, and such action is specifically authorized by their approving official.

DATE _____

FROM: (Code _____ Funds Administrator)

TO: CARDHOLDER NAME

SUBJ: FUND AVAILABILITY CERTIFICATION

1. Under job order number _____ you are authorized

to expend \$ _____ in credit card purchases for the

period from _____ 19__ to _____ 19__.

GO SPEND

FUNDS ADMINISTRATOR

Figure. Example of fund availability certification.

TAX EXEMPTION

The face of the card indicates “U.S. GOVT TAX EXEMPT” in embossed letters. At the time of purchase, you will need to **advise the merchant that the purchase is for Official U.S. Government purposes and, therefore, is not subject to state or local tax.** The first eight digits of the credit card number represent the tax exempt number. If the vendor wants clarification, there is an 800 number on the back of the credit card that can be called. If further assistance is needed, please contact the APC at x34701.

UNUSUAL CIRCUMSTANCES

Whenever there is an unusual circumstance surrounding the purchase of an item, complete and proper justification for the buy must be included in the statement packet to prevent confusion regarding the purpose of the buy.

COMPETITION AND PRICE REASONABLENESS

Micro-purchases may be made without securing competitive quotations if the price is considered to be reasonable. Such purchases shall be distributed equitably among qualified suppliers. If practical, a quotation shall be solicited from other than the previous supplier before placing a repeat order.

The administrative cost of verifying the reasonableness of the price for micro-purchases may more than offset potential savings generated from detecting instances of overpricing; therefore, action to verify price reasonableness needs to be taken only when cardholder suspects or has information (e.g., comparison to previous prices paid or personal knowledge of the item involved) to indicate that the price may not be reasonable.

STUB PREPARATION

Micro-purchases must be completed **prior** to purchase action. It is your responsibility as the buyer to secure the appropriate internal approval signature (Block 25 of the bankcard stub), prior to purchase action. After statement reconciliation is complete (Topic E), packages are sent to Accounting, Code 02123, for payment. Complete the purchase card stub as follows:

- A. Write code, stub number, and the estimated amount of your purchase in the upper right-hand boxes.
- B. Block 3, Requestor's name, write the name of the person you are purchasing the item(s) for. This person must also sign Block 21 of the stub.
- C. Enter phone extension and job order number in the appropriate box.
- D. Enter the name of the person the items will be delivered to in Block 15. Receiver signature must be obtained upon delivery of item(s).
- E. Description of Items. A purchase description is the most common method of describing small purchase requirements. An adequate purchase description should set forth the essential physical and functional characteristics of the supplies required. It should not be unduly restrictive and shall not specify a product particular to one manufacturer (e.g., by manufacturer, brand name and part number) unless:
 - (1) It is essential to the Government's requirements; and
 - (2) Other similar products lack the particular feature necessary to meet the Government's minimum requirements.

- F. Cardholder must complete the FOB, TRANS ESTIMATE and FOB POINT if delivery charges are included in the buy. **Reminder: Cost of the item added with the delivery charges cannot exceed \$2,500.**
- G. Print and sign name in DATE/SIGNATURE OF BUYER blocks.
- H. Complete bottom portion of stub to include purchase card number, size of business, date of purchase, and company name, address, phone number, and point of contact.
- I. Evidence of technical screening (complete Block 35 of bankcard stub).

A purchase log should be used to document or record telephone purchase card orders under \$2,500 when competitive quotes are **not** solicited. If competitive quotes are solicited for purchases under \$2,500, the record shall be documented. The documentation should be filed until the monthly billing statement is received and then attached to the statement when it is submitted to the approving official. (See samples on next pages.)

TELEPHONE/OVER-THE-COUNTER ORDERS

Any time a purchase is made using the card, whether it is done over-the-counter or by telephone, a document must be retained as proof of purchase. These documents will later be used to verify the purchases shown on the cardholder's monthly statement.

When a purchase is made over-the-counter, the cardholder shall obtain the customer copy of the charge slip, which will become the accountable document (make sure all carbons are destroyed).

When making purchases by phone, the cardholder should document the transaction on a log and attach any shipping documents associated with the order.

When placing telephone or over-the-counter orders, remind the vendor that the following rules apply:

- A. All items purchased must be immediately available for shipment.
- B. Obtain assurance from the vendor that the supplies are in stock and available for immediate shipment.
- C. No partial shipments are allowed.
- D. Telephone orders must be **delivered within 30 days** of purchase, preferably by the end of the billing cycle.
- E. Items cannot be specially manufactured.
- F. Instruct the vendor to **annotate the receipt and all shipping documents** with the stub number.
- G. The vendor is not to ship until an authorization code is granted by RMBCS. This is accomplished electronically.
- H. The vendor is to mark **"CREDIT CARD PURCHASE"** on the exterior of the shipment along with the **Requestor Name and Code**.
- I. If the order is picked up by a courier, instruct the vendor to annotate the courier's name and stub number on the receipt.
- J. **The courier is not to sign the charge slip**, only receipt documents.

PURCHASE CARD LOG

[illegible]

- K. Remind the vendor that the account number must **not** be billed until the item is actually shipped.
- L. Remind the vendor that the purchase is **not** subject to state or local tax.

DELIVERY

All telephone orders should be delivered to the Receiving Officer; however, you may have the items delivered off-center if they are to be used at an NRaD project being performed at a remote site. You will need to follow up to see if the material was received. **UNDER NO CIRCUMSTANCES MAY ITEMS BE DELIVERED TO YOUR HOME.**

Make sure you tell the vendor to mark the exterior of the package with NRaD Receiving, your name, code and “credit card” purchase.

NCCOSC RDTE DIV (CODE _____)
ATTN: YOUR NAME (Credit Card Purchase)
53605 HULL STREET
SAN DIEGO CA 92152-5410

The package will be forwarded directly to you, unless there are visible signs of damage, at which point the package will be opened and visually scanned for damage. It is your responsibility to physically check the contents of packages delivered to you.

If you expect an urgent delivery, call Receiving (X34350) and alert them to the name of the company, the date the package is scheduled to arrive, the method of delivery (i.e., Federal Express, UPS, etc.) and your name, code, and extension. Receiving will call you as soon as the item is received.

DEFICIENCIES/DISPUTES/DAMAGED EQUIPMENT

For items purchased and found defective or faulty, the cardholder may return the item to the vendor. The vendor will initiate a credit, which will appear on the account statement the following month.

If a purchase or transaction appearing on a cardholder’s statement is questioned (i.e., has not been received or is an unauthorized charge), the cardholder (or approving official) must notify the Dispute Office, X34469, immediately. The cardholder must complete a “Statement of Questioned Item” form. RMBCS will credit the transaction until the dispute is resolved. In addition, a copy of the form must be attached to the cardholder’s monthly statement and sent to Accounting, Code 02123, with your reconciled statement package.

TOPIC E

AFTER THE PURCHASE

INTRODUCTION

At the close of each monthly billing cycle (the 21st of each month), you will receive your “Statement of Account.” You are responsible for reconciling the statement within 10 days or when you are otherwise notified. The statement itemizes each transaction that was charged to your purchase card.

PLANT ACCOUNT

Plant Account items must be barcoded within 5 days of receipt. You will need to bring the item to Receiving for the barcode. The stub number and the job order number will be needed. Plant Account is defined as any pilferable item valued at \$100 or more, and any other equipment costing over \$300. If you are not sure that an item needs to be barcoded, you may call the Plant Account office at X34595.

STATEMENT RECONCILIATION

Upon receipt of your statement:

- A. Review the Statement of Account for accuracy.
 - B. On the description line of the statement, write a general description of the purchase and write the stub number under the dollar amount.
 - C. **Sign and date the back of each sheet of the statement. Within 5 working days of receipt of the statement**, forward it and all documentation to your Approving Official who will sign and forward the statement back to the Finance Office within 10 days. Attach the following:
 - (1) copy of the purchase card stub,
 - (2) receipt/invoice,
 - (3) signature of receiver,
 - (4) purchase card log.
- If required:
- (5) internal approvals,
 - (6) any explanations (i.e., questionable item),
 - (7) copy of plant account receipt,
 - (8) dispute form,
 - (9) purchase card documentation sheet.
- D. All documentation must be attached to the statement in the same order as it appears on the statement.
 - E. Retain copies for your personal records.

If you will not be available to sign your statement because of leave or travel, provide the supporting documentation to your Approving Official who will forward a copy of

the statement and supporting documents to the Finance Office. When you return to duty, sign the original statement and forward it to your Approving Official.

If for some reason the cardholder does not have the documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name, and why there is no supporting documentation.

- F. *Credits*. If you have returned an item and received a "credit voucher," attach the voucher to the statement on which the credit appears and include an explanation why the credit occurred.
- G. *Disputes*. If you contacted the merchant for credit of an erroneous charge and the matter was not resolved, a "Statement of Questioned Item" form must be completed. Mail the form to the bank and attach a copy to the statement package. The dispute form should also be used for duplicate charges and charges that were not authorized by you. Extra forms are available from the APC, X34701. The bank will investigate the dispute and make a determination of whether or not payment should be made.
- H. If the total amount on the purchase card stub is less than the invoice amount, line through the original amount on the stub and write the corrected amount above it. All adjustments must be initialed and an explanation for the adjustment noted (i.e., misquoted price, transportation exceeded quote, etc.) on the purchase card stub. The signature on the back of the statement is considered a certified invoice, and Accounting will pay the full amount charge.
- I. Document all apparent problems. Phone calls made to the vendor should be annotated directly on the stub. Too much justification is better than a lack of justification. Look at your documentation and decide if it would look reasonable to someone who is unfamiliar with the background issues.
- J. *Statement Post Audit*. There is a 100% post audit performed on cardholder statements. The audit is performed to detect credit card misuse, any deficient documentation, missing attachments, and to ensure cardholders follow the procedures established for credit card purchases.

The auditor looks for adequate purchase description, split orders, separation of duties, missing internal approval, justifications for questionable items, purchase card buy of items available through mandatory sources, etc.

The cardholder will be notified of any items found to be deficient in their reconciled statement package. The cardholder will be sent a memorandum, via their Approving Official, stating the deficiency, with a response due date, via their Approving Official. The cardholder has a responsibility to respond by the due date on the memorandum or face a possible suspension of purchase card privileges.

TOPIC F

ADDITIONAL INFORMATION

CARDHOLDER RESPONSIBILITIES

Cardholders must safeguard the purchase card and account number at all times. A cardholder who makes an unauthorized purchase may be liable for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. FAR 1.602-3 outlines agency policy for ratification or denial or such commitments. **THE CARDHOLDER MUST NOT ALLOW ANYONE TO USE HIS CARD OR ACCOUNT NUMBER.** A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

APPROVING OFFICIAL RESPONSIBILITIES

An Approving Official's duties include reviewing the cardholders' statements and receipts, to ensure that the purchases were authorized, and signing off on the purchase card stub, if the cardholder is the requestor. When you are reviewing purchases, keep in mind that the card is to be used for U.S. Government purchases only.

Each of your cardholders has a monthly limit of \$25,000 on their card and a \$2,500 limit on each purchase.

You have been appointed as an Approving Official because of your knowledge of the job responsibilities of these cardholders. You are required to look at each cardholder's purchases, at the merchant who made the sale, to determine if these items were for official use, and if they were items allowed to be purchased. If for any reason you question the purchase(s), it is your responsibility to talk to the cardholder. If the cardholder cannot satisfy you that the purchase was necessary and for official use, then the cardholder must provide you with a credit voucher showing that the item(s) have been returned for credit. Approval of the items your cardholders have purchased using the purchase card will not be totally defined in these procedures.

When the Approving Official is on leave, on travel, or off-center, he/she should designate, in writing, the person authorized to sign in their place. If no one is designated to act in their place, the cardholder will send the reconciled packages with a signed copy of statement to Accounting. Upon return, the Approving Official will sign the original statement and forward it to Accounting.

TRANSFER OR SEPARATION OF CARDHOLDER

If a cardholder is transferred to a new Approving Official, it will be up to the new Approving Official to determine if the card should be retained. If it is determined that the purchase card should be kept by the cardholder, a memo with an explanation of the changes must be submitted to the Agency Program Coordinator. In most cases, the cardholders' account may simply be transferred to the Approving Official at the end of the current billing cycle.

Purchase cards are issued under the individual employee's name. If an employee separates from the Center the employee must forward the certificate of appointment to the APC who will instruct the cardholder to turn in the bankcard to the Finance Officer upon checkout.

LOST OR STOLEN BANKCARD

Should an employee lose their card or have it stolen, it is the cardholder's responsibility to notify the bank immediately of the loss. The cardholder must notify the Approving Official within one

working day after discovering the card is missing. The Approving Official will submit a written report to the APC and the Finance Office and include the following:

- A. The card number.
- B. The cardholder's complete name.
- C. Date and location of the loss.
- D. A copy of the police report (if card was stolen).
- E. Date and time the bank was notified.
- F. A list of purchases made prior to the loss and any other pertinent information.